

**Department of Legislative Services**  
 Maryland General Assembly  
 2014 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 779 (Delegate Hammen)  
 Health and Government Operations

Finance

**Maryland Health Care Commission - Health Care Provider-Carrier Workgroup**

This bill requires the Maryland Health Care Commission (MHCC) to establish a Health Care Provider-Carrier Workgroup to provide a mechanism for health care providers and carriers to resolve disputes on issues over which no State agency has statutory or regulatory authority. Workgroup members may not receive compensation or reimbursement. MHCC staff must facilitate workgroup meetings and provide research and other support to the workgroup. By January 1, 2016, and each year thereafter, MHCC staff must submit a report to MHCC and specified committees of the General Assembly regarding the issues considered by the workgroup during the preceding year.

**Fiscal Summary**

**State Effect:** Special fund expenditures for MHCC increase by as much as \$25,000 annually beginning in FY 2015 to staff the workgroup and issue the annual report. Revenues are not affected.

| (in dollars)   | FY 2015    | FY 2016    | FY 2017    | FY 2018    | FY 2019    |
|----------------|------------|------------|------------|------------|------------|
| Revenues       | \$0        | \$0        | \$0        | \$0        | \$0        |
| SF Expenditure | 25,000     | 25,000     | 25,000     | 25,000     | 25,000     |
| Net Effect     | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) |

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Potential minimal. The workgroup may resolve issues impacting small business health care providers.

## Analysis

**Bill Summary:** The workgroup must comprise representatives of professional organizations or associations of health care providers who bill and receive reimbursement for health care services from carriers, carriers (or organizations or trade associations representing carriers) that reimburse health care providers for health care services provided under health benefit plans, and, when appropriate to the issue under discussion, consumer organizations. MHCC staff must, at least annually, solicit issues for consideration by the workgroup from specified sources, including members of the General Assembly.

**Current Law/Background:** MHCC is an independent State agency located within the Department of Health and Mental Hygiene. MHCC's mission is to plan for health system needs; promote informed decisionmaking; increase accountability; and improve access in a rapidly changing health care environment by providing timely and accurate information on availability, cost, and quality of services to policymakers, purchasers, providers, and the public. MHCC is organized into five centers: Information Services and Analysis; Long-term Care and Community-based Services; Healthcare Financing and Policy; Hospital Services; and Health Information Technology. Among other activities, MHCC:

- oversees and maintains the Medical Care Database, a database of health insurance claims for covered services received by privately insured Maryland residents;
- prepares annual reports on health care expenditures and utilization of privately insured professional health care services in Maryland;
- promotes and manages the Patient-Centered Medical Home program;
- collects and reports meaningful, comparative information regarding the quality and performance of commercial health benefit plans authorized to operate in the State;
- establishes policy objectives and standards in the State Health Plan and implements the State certificate-of-need process; and
- enhances the adoption of health information technology in the State.

The bill is intended to provide a mechanism for health care providers and carriers to resolve disputes before they require legislative action.

**State Expenditures:** Special fund expenditures for MHCC increase by as much as \$25,000 annually beginning in fiscal 2015 for contractual services to assist in researching issues for the workgroup. MHCC advises that current MHCC staff is insufficient to handle all of the potential issues that could come before the workgroup; thus, MHCC would issue a "small task order" to assist with the workgroup.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 26, 2014  
mam/ljm Revised - House Third Reader - March 25, 2014

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